

COPY

MINUTES OF THE ORGANIZATIONAL MEETING OF
BAYLOR COLLEGE OF MEDICINE
FORMERLY
BAYLOR UNIVERSITY COLLEGE OF MEDICINE
HELD ON THURSDAY, JANUARY 23, 1969
AT 1:30 P. M. , IN HOUSTON, TEXAS

The Board of Trustees of Baylor College of Medicine met for lunch at the Ramada Club, at 12:30 p. m. , on Thursday, January 23, 1969, which meeting was called by Dr. Abner V. McCall, President of Baylor University, and Dr. Michael E. De Bakey, Vice President for Medical Affairs, Baylor University College of Medicine in Houston, Texas. Dr. McCall presided temporarily to determine the presence of a quorum of the Board, and for the election of a permanent chairman.

1. The meeting was called to order at 1:30 p. m. In his opening remarks, Dr. McCall reviewed the history of Baylor University College of Medicine, noting its growth and development as an outstanding college in the United States. He outlined the reasons for the change in organizational structure of the College of Medicine, one of which was the difficulty which had been encountered in operating in conjunction with the State. He called attention to the support the College of Medicine has received from various foundations in the community, and expressed the willingness of the Baptists to transfer the ownership of the College of Medicine to the Houston community, so that it might become a non-denominational school.

Statement of
Dr. Abner V.
McCall

Dr. McCall reviewed items of the Articles of Incorporation (copies of which were circulated to those present), noting that the Board of Trustees was composed of thirty-two members, eight of whom will be elected by Baylor University and constitute the liaison between the two institutions. The remaining members will be a self-perpetuating segment. He pointed out that the academic affiliation between Baylor University and the College of Medicine was maintained in the charter to provide for the awarding of degrees, but stated this affiliation in no way precludes affiliation of the College of Medicine with any other college or university. He stated the willingness of Baylor University to cooperate in any area which would be to the advantage of Baylor College of Medicine, and

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assured the Trustees that the responsibility for the College of Medicine was being gladly transferred, but that the Baylor segment of the Board is not abdicating, and will fulfill its one-fourth of the responsibilities.

2. Dr. McCall called attention to the names of the Trustees Roll Call listed on page 2 of the Articles of Incorporation, and proceeded to call the roll, which is as follows:

Trustees Present

Dr. W. Leland Anderson
Mr. Daniel C. Arnold
Mr. Isaac Arnold
Mr. Hugh Q. Buck
Dr. Russell H. Dilday, Jr.
Mr. W. S. Farish III
Mrs. W. W. Fondren
Mr. Herbert J. Frensley
Mr. S. Marcus Greer
Mr. Milton T. Gregory
Mr. Leon Jaworski
Dr. Abner V. McCall
Mr. L. F. McCollum
Mr. A. G. McNeese
Dr. B. J. Martin
Mr. Leopold Meyer
Mr. Carlross Morris
Mr. J. Newton Rayzor
Mr. Willard L. Russell
Mr. Eddy C. Scurlock
Mr. Henry J. N. Taub
Mr. John E. Whitmore
Mr. J. Barry York

Trustees Not Present

Mr. Marvin K. Collie
Mr. Earl C. Hankamer
Mr. Hugh Liedtke
Mr. S. Maurice McAshan, Jr.
Mr. Frank H. Newnam, Jr.
Mr. A. Frank Smith, Jr.
Mr. R. E. Bob Smith
Mr. Gail Whitcomb
Mrs. H. C. Wiess

3. Noting that a quorum of the Trustees was present, Dr. McCall called for nominations for a permanent Chairman. Mr. Carlross Morris placed in nomination the name of Mr. L. F. McCollum for this office. The motion was seconded by Dr. Dilday. There being no further nominations, upon appropriate motion, duly seconded and carried, Mr. McCollum was elected by acclamation. Dr. McCall presented Mr. McCollum, who then made the following address:

Election of
Mr. L. F.
McCollum as
Chairman of
Board of
Trustees

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"In the quarter-century since Baylor University College of Medicine was established here in Houston, it has achieved an enviable position among institutions of higher learning dedicated to medical education, research, and health service. Its student body, which has grown from an initial 146 to its present size of 900, ranks with the best in the country. In this brief 25 years, its original faculty of 20 members has expanded to more than 450, many of whom have distinguished themselves nationally and internationally. The College ranks among the top ten schools in the nation in research support, most of which has been awarded through contractual grants in competition with the foremost scientists and finest research laboratories in the country.

Address of
the Chairman

"The Baptist leaders of Texas, who conceived the Baylor College of Medicine, have fostered its growth during its quarter-century of existence. Baylor has been able to achieve its present eminent position because of the dedication of its faculty to standards of excellence, the provision by its administration of a climate of flexibility of movement conducive to creativity, and the fine support of its Board of Trustees and University officials.

"Baylor College of Medicine can point with pride to its record thus far. But if it is to maintain its position of leadership, it must recognize that it now faces now responsibilities imposed by evolutionary changes in the fields of medicine and health. Baylor must assume its obligation, for example, to help eliminate the critical health manpower shortage facing the nation today, by expanding its enrollment. This year, Baylor had places for only 84 of the 1140 students who applied for admission to the freshman class. Because the cost of medical education continues to rise at a rate of almost 10 per cent per year, additional financial support is of the essence. The College must also be able to compete with other educational institutions, and with government and industry, in attracting and keeping highly qualified professional personnel.

"Community participation in, and support of, the health activities and responsibilities of the medical school are absolutely essential today. It is evident from the selection of the new Board of Trustees of the College of Medicine that the Baylor University

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Trustees have made a sincere attempt to obtain the kind of broad community involvement that is needed to continue in its high and noble cause.

"Our immediate attention must now be focused on the urgent problems facing the medical school in restoring faculty strength to the high level needed to provide closer, more effective organizational liaison with Baylor's affiliated hospitals. The medical school is the heart of the medical center, from which all institutions derive collateral support and to which they should provide reciprocal support. This concept requires further reinforcement if the Texas Medical Center is to meet the challenges of the future. We must also develop practical plans for expansion of the medical school so that it may double its student body and, together with the University of Texas, thus provide needed physicians for the State and the nation. It is also planned to develop a closer liaison with the University of Texas, to meet the challenges of the future.

"With divestment of its sectarian nature, Baylor College of Medicine becomes a community institution, and a community responsibility. We urge every citizen of Houston and Texas to accept this responsibility by becoming involved in the educational, research, and service programs and activities of the medical school."

Mr. McCollum also expressed his appreciation to the Board, and declared his intention to involve members of the community in support of the College, and to request the Board members to help in many ways.

Mr. McCollum assumed the duties of Chairman and presided over the remainder of the meeting.

Mr. McCollu
Assumes
Duties of
Chairman

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5. Mr. McCollum presented the Bylaws of the College of Medicine for approval. (Copies of the Bylaws were circulated to those present, and a copy is attached to the minutes of this meeting). Mr. Jaworski moved that the Bylaws be adopted. The motion was seconded by Mr. Taub, and carried.

Adoption of
Bylaws

6. Mr. Isaac Arnold requested time to discuss Article VIII of the Articles of Incorporation. He noted this article provided that funds, grants or other assets being transferred from Baylor University to the College of Medicine, could not be disposed of without approval by a majority of the members of the Board of Trustees of Baylor University. He questioned whether this provision could be construed to leave the impression that Baylor College of Medicine was not a non-denominational institute. Mr. Arnold cited as the basis of his concern a statute which he read from the Journal of the Texas State Legislature. This statute, an appropriation bill for the Texas Institute of Mental Sciences, was enacted in 1967, and contains a clause providing that none of the monies appropriated by this act may be used by a denominational school. In view of pending legislation affecting Baylor College of Medicine, Mr. Arnold was of the opinion that the charter should clearly reflect that the school is a bona fide non-sectarian institute, and that the Board should have a strong legislative committee working to assure the interest of Baylor College of Medicine.

Discussion
Regarding
Status of
Corporation
as Related to
Denominationalism

In reply to Mr. Arnold, Dr. McCall affirmed the non-denominational character of the College of Medicine, and stated that the only concern Baylor University now has is that the assets will be used to operate a medical school. He pointed out that the assets being transferred to the College of Medicine constitute a trust, and must be handled as a trust, and that the only limitations imposed upon the school, are the same limitations which are imposed by the Texas Medical Center.

Mr. Jaworski concurred in this, and pointed out that this section of the charter has been carefully restricted so as to apply only to the properties now owned and used by the College of Medicine.

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This restriction was necessary, because these properties were restricted gifts to Baylor University for the use of the College of Medicine. He stated there was not the slightest control except where a donor has given a restricted gift, and that Baylor College of Medicine is entirely free of the involvement of the statute referred to by Mr. Arnold.

Dr. De Bakey informed the Trustees that Mr. Arnold had introduced one of the major problems of the school, i. e., the relationship with the Institute of Mental Sciences. When the Institute (formerly the State Psychiatric Institute) was built, it was with the understanding that it would be operated by Baylor University College of Medicine, and the Department of Psychiatry operated out of this building for a time. It became increasingly apparent, however, that under a certain direction of the Mental Health Commission and of this Institute, that this operation would not continue, and as events have developed, the Department of Psychiatry now has no facility and is in a jeopardous position. Unless the situation is remedied, the College will be unable to obtain and hold the quality of faculty needed for this program. He stated that the phrase in the appropriation bill referred to by Mr. Arnold, was deliberately inserted to eliminate Baylor.

Discussion c
Relationship
of College of
Medicine to
Institute of
Mental
Sciences

Mr. McCollum expressed concern that it might be interpreted that the College is a denominational school, and felt this point should be clarified. He stated the College of Medicine is non-denominational in fact and intent, and that he had been so concerned that it not be labeled as Baptist, Presbyterian or Methodist, that he had submitted his resignation as a member of the Board of Trustees of The Methodist Hospital.

Mr. Arnold pointed out that the Board is now agreed that this is now a non-denominational school, but questioned whether the legislature could be convinced. He noted that a new appropriation bill would be introduced in the next session of the legislature, and expressed the opinion that the first order of business for this Board should be the appointment of a legislative committee to work on this matter.

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6. Mr. McCollum called for nominations for Vice Chairman and Secretary of the Board. Mr. J. Newton Rayzor placed in nomination the names of Mr. Herbert Frensley for Vice Chairman, and Mr. A. Frank Smith, Jr. for Secretary. The motion was seconded by Mr. Meyer. There being no further nominations, upon appropriate motion, duly seconded and carried, Mr. Frensley and Mr. Smith were elected by acclamation.

Election of
Mr. Herbert
Frensley as
Vice Chairm
and Mr. A.
Frank Smith
Jr. as
Secretary.

7. Mr. McCollum called for the formulation of the Executive Committee. The following persons were recommended for appointment to this Committee:

Election of
Executive
Committee

Mr. Marvin K. Collie
Mr. Herbert Frensley
Mr. Earl C. Hankamer
Mr. Leon Jaworski
Mr. Maurice McAshan
Mr. A. Frank Smith, Jr.
Mr. Henry Taub
Mr. John Whitmore

Upon appropriate motion, duly seconded and carried, the appointment of the above members to the Executive Committee was approved.

8. The newly designed corporate seal was presented for approval. The imprint of the seal is as follows:

Adoption of
Corporate
Seal

"Baylor College of Medicine

Texas"

Mr. Taub moved that the seal be adopted. The motion was duly seconded and carried.

9. Mr. McCollum then called for a motion to establish the fiscal year of the corporation. It was moved that the fiscal

Establishme
of Fiscal Ye

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year begin on July 1 and end June 30 of each year. The motion was duly seconded and carried.

10. Authorizations for signing federal income tax and state franchise tax forms were presented. It was moved that the President of the Corporation be authorized to execute these forms. The motion was seconded and carried.

Authorization
of President
To Execute
Federal Income
Tax and State
Franchise Tax
Forms

11. Mr. McCollum called for authorization to receive the conveyance of assets from Baylor University. Upon appropriate motion, seconded and carried, the President of the Corporation was authorized to accept the assets on behalf of the Corporation, as soon as notice is received from the Federal government that the corporation is qualified to receive them.

Authorization
To Receive
Conveyance of
Assets

12. It was moved, seconded and carried, that the following persons be authorized as bank signatories, upon proper resolutions being executed and attested by the Secretary:

Authorization
of Bank
Signatories

Any two of the following persons are authorized and empowered as signatories, for any and all bank accounts of Baylor College of Medicine:

Michael E. De Bakey
Joseph M. Merrill
A. O. Johnson
Lon S. Flippen

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Either of the following persons are authorized to enter the safety deposit box of the Corporation at Fannin Bank:

Michael E. De Bakey
A. O. Johnson

Authorization
for Entry of
Safety Depos
Box

Copies of the executed authorizations are attached to the minutes of this meeting.

13. Mr. McCollum called for nominations for officers of the corporation. Mr. Dan Arnold placed in nomination the following names:

Election of
Corporate
Officers

Dr. Michael E. De Bakey for President
Mr. Leon Jaworski for Vice President and General Counselor
Mr. A. Frank Smith, Jr. for Secretary
Mr. Alfus O. Johnson for Treasurer

The motion was seconded by Mr. Taub. There being no further nominations, upon appropriate motion and second, the above named officers were elected by acclamation.

14. Mr. Willard L. Russell presented the following resolution of appreciation to Mr. Carlross Morris, retiring Chairman of the Board of Trustees of Baylor University College of Medicine:

Resolution of
Appreciation
to Mr. Carlos
Morris

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"RESOLUTION OF APPRECIATION

On Retirement of the Chairman

CARLOSS MORRIS

WHEREAS, Carloss Morris is retiring after a period of able, dedicated and distinguished service as Chairman of the Board of Trustees of the former Baylor University College of Medicine, now succeeded by Baylor College of Medicine; and

WHEREAS, he has given to the College unreservedly of his time and of his great talent, the extent of which talent and hence the nature and extent of his service are evidenced in part in these facts: the talents and capacities here mentioned were generously and graciously applied in the service of the College out of a busy life with great personal sacrifice; he graduated with highest honors from the University of Texas School of Law; he is a member of the two highest ranking honorary legal fraternities, Chancellors and Order of Coif; he heads his own law firm, directs the affairs of the largest title company in the South, and manages extensive business interests of his own and for others; yet he finds the time somehow to participate selflessly in most of the endeavors that contribute significantly to the welfare of the community; and above all he devotes himself actively and faithfully to the work of his church and the service of God and his fellow man;

NOW, THEREFORE, this resolution of appreciation is hereby adopted by the Board of Trustees of the College and made a part of the permanent records thereof to the end that this able, earnest, dedicated man will always know of our high esteem and our deep appreciation for all he has done. "

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Mr. Russell moved that the resolution be adopted, that it be spread upon the minutes of this meeting, and that an appropriate copy be furnished Mr. Morris. The motion was seconded, and upon request of Mr. McCollum, Mr. Morris was given a standing vote of appreciation.

15. Noting the need for a general resolution for operation of the business of the College, Mr. Morris presented the following resolution:

Adoption of
Comprehensive
Resolution

"It is hereby resolved that Michael E. De Bakey, President; Leon Jaworski, Vice President and General Counsel; and/or Alfus O. Johnson, Treasurer, be authorized and empowered to enter into contracts of any and all kinds and natures in connection with the business and affairs of the Baylor College of Medicine; that any one of them be authorized to sell stocks and other personal property belonging to Baylor College of Medicine and that all of said powers be exercised on such terms as may seem best to the one exercising the power and Michael E. De Bakey, President; Leon Jaworski, Vice President and General Counsel; and/or Alfus Johnson, Treasurer, be authorized and empowered to sign and execute such instruments as may be necessary or convenient to exercise such powers, including but not limited to contracts, transfers, bills of sale and assignments."

The motion was duly seconded and carried.

16. At this time, Mr. McCollum presented Dr. Michael E. De Bakey, President, and invited his comments, which are as follows:

Comments of
the President

"I would first like to express my very sincere appreciation to all of you, both the members of the previous Board of Trustees of Baylor University College of Medicine and the new Trustees who have joined now to give rebirth to this College. I consider this to be a noble cause, and I hope that it is the reason you have agreed to give us your support.

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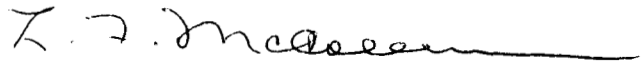
"Under the aegis of the Baptists, the Baylor College of Medicine has been brought to a high point of prestige in all its functional activities. We can take just pride in our past performance, but if we are to be realistic about the present, we must recognize that the school is now faced with new responsibilities, which require it to become a more integral part of the community. The Baptist leaders recognized this need and have arranged for broader community participation and support for Baylor. The new Board can give us the sound leadership we need.

"We have some urgent problems to attend to. If we are going to continue to take pride in the high standards of the College and meet our regional and national responsibilities, we have a great deal of work to do. I shall have the opportunity soon to analyze some critical problems for you, clarify them, and make recommendations.

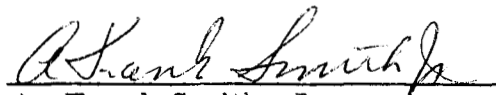
"On behalf of the entire faculty, I would like to express to you again our deep and sincere gratitude. I am confident that with your help Baylor shall go forward and achieve even greater heights than it has in the past."

17. There being no further business, the meeting was adjourned at 2:00 p.m.

Adjournment



L. F. McCollum
Chairman



A. Frank Smith, Jr.
Secretary